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Security Council Committee established pursuant to resolution 1737 (2006)

Letter dated 23 February 2007 from the Permanent Representative of Canada to the United Nations addressed to the Chairman of the Committee

With reference to the letter of the Committee dated 7 February 2007, I am pleased to submit Canada's report on the implementation of Security Council resolution 1737 (2006) (see annex).

(*Signed*) John **McNee**
Ambassador
Permanent Representative

07-25956 (E) 190307

Annex to the letter dated 23 February 2007 from the Permanent Representative of Canada to the United Nations addressed to the Chairman of the Committee

[Original: English and French]

Paragraph 19 of Security Council resolution 1737 (2006) of 23 December 2006 (the Resolution) requests all Member States to report to the Security Council, within sixty days from the date of adoption of the Resolution, on the steps taken to with a view to implementing effectively the Resolution.

Canada wishes to inform the Committee that it is effectively implementing all measures mandated by the Resolution through the application of the *Regulations Implementing the United Nations Resolution on Iran* (the *Iran Regulations*) (SOR/2007-44) made under the *United Nations Act*, as well as the *Export and Import Permits Act* and the *Nuclear Safety and Control Act* as follows:

Paragraph 3

3. Decides that all States shall take the necessary measures to prevent the supply, sale or transfer directly or indirectly from their territories, or by their nationals or using their flag vessels or aircraft to, or for the use in or benefit of, Iran, and whether or not originating in their territories, of all items, materials, equipment, goods and technology which could contribute to Iran's enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear weapon delivery systems, namely:

(a) those set out in sections B.2, B.3, B.4, B.5, B.6 and B.7 of INFCIRC/254/Rev.8/Part 1 in document S/2006/814;

(b) those set out in sections A.1 and B.1 of INFCIRC/254/Rev.8/Part 1 in document S/2006/814, except the supply, sale or transfer of:

(i) equipment covered by B.1 when such equipment is for light water reactors;

(ii) low-enriched uranium covered by A.1.2 when it is incorporated in assembled nuclear fuel elements for such reactors;

(c) those set out in document S/2006/815, except the supply, sale or transfer of items covered by 19.A.3 of Category II;

(d) any additional items, materials, equipment, goods and technology, determined as necessary by the Security Council or the Committee established by paragraph 18 below (herein "the Committee"), which could contribute to enrichment-related, or reprocessing, or heavy water-related activities, or to the development of nuclear weapon delivery systems.

Pursuant to subsections 3 (*a*) to (*d*) of the Iran Regulations, all Canadians and all persons and entities in Canada are prohibited from selling, supplying or transferring, directly or indirectly, to Iran or for the benefit of Iran, any of the items covered in paragraph 3 of the Resolution. Also, pursuant to section 4 of the Iran Regulations, owners or masters of Canadian ships and operators of aircraft registered in Canada may not carry, cause to be carried or permit to be carried to Iran any of the items covered in paragraph 3 of the Resolution.

In addition, pursuant to section 10 of the Iran Regulations, all persons in Canada and all Canadians abroad are prohibited from doing anything that causes, assists or promotes, or is intended to cause, assist or promote, any act or thing prohibited by sections 3 and 4.

Moreover, the *Export and Import Permits Act* requires a permit for the export from Canada of all goods listed on the *Export Control List*. All military and strategic dual-use goods, as defined by the appropriate international export control regimes, are listed on the *Export Control List*, and therefore require a permit. Since the Resolution was adopted, no permit has been issued for the export from Canada to Iran of any of the items covered in paragraph 3 of the Resolution, nor will permits be issued while the sanctions mandated by paragraph 3 of the Resolution remain in effect.

In addition, the *Nuclear Safety and Control Act* requires a licence for the export from Canada of all goods listed in the *Nuclear Non-proliferation Import and Export Control Regulations*. All nuclear and nuclear-related dual-use goods, as defined by the appropriate international export control regimes, are listed in the *Nuclear Non-proliferation Import and Export Control Regulations* and therefore require a licence. Since the Resolution was adopted, no licence has been issued for the export from Canada to Iran of any of the items covered in paragraph 3 of the Resolution, nor will licences be issued while the sanctions mandated by paragraph 3 of the Resolution remain in effect.

Paragraph 4

4. Decides that all States shall take the necessary measures to prevent the supply, sale or transfer directly or indirectly from their territories, or by their nationals or using their flag vessels or aircraft to, or for the use in or benefit of, Iran, and whether or not originating in their territories, of the following items, materials, equipment, goods and technology:

(a) those set out in INFCIRC/254/Rev.7/Part 2 of document S/2006/814 if the State determines that they would contribute to enrichment-related, reprocessing or heavy water-related activities;

(b) any other items not listed in documents S/2006/814 or S/2006/815 if the State determines that they would contribute to enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear weapon delivery systems;

(c) any further items if the State determines that they would contribute to the pursuit of activities related to other topics about which the IAEA has expressed concerns or identified as outstanding.

Pursuant to subsections 3 (*e*) of the Iran Regulations, all Canadians and all persons and entities in Canada are prohibited from selling, supplying or transferring, directly or indirectly, to Iran or for the benefit of Iran, any of the items covered in subparagraph 4 (*a*) of the Resolution. Furthermore, pursuant to subsection 3 (*f*) of the Iran Regulations, all Canadians and all persons and entities in Canada are prohibited from selling, supplying or transferring, directly or indirectly, any of the products listed in that subsection to Iran or for the benefit of Iran. Such products are items that would contribute to enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear weapon delivery systems, or to

the pursuit of activities related to other topics about which the IAEA has expressed concerns or identified as outstanding. Section 20 of the Iran Regulations allows for exemptions on a case-by-case basis to subsections 3 (*e*) and (*f*), where a person would demonstrate that specific products would not contribute to enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear weapon delivery systems, or to the pursuit of activities related to other topics about which the IAEA has expressed concerns or identified as outstanding.

Also, pursuant to section 4 of the Iran Regulations, owners or masters of Canadian ships and operators of aircraft registered in Canada may not carry, cause to be carried or permit to be carried to Iran any of the items covered in paragraph 3 (*e*) and (*f*) of the Resolution.

In addition, pursuant to section 10 of the Iran Regulations, all persons in Canada and all Canadians abroad are prohibited from doing anything that causes, assists or promotes, or is intended to cause, assist or promote, any act or thing prohibited by sections 3 and 4.

Moreover, the *Export and Import Permits Act* requires a permit for the export from Canada of all goods listed on the *Export Control List*. All military and strategic dual-use goods, as defined by the appropriate international export control regimes, are listed on the *Export Control List*, and therefore require a permit. Since the Resolution was adopted, no permit has been issued for the export from Canada to Iran of any of the items covered in subparagraph 4 (*a*) of the Resolution or in subparagraphs 3 (*e*) and (*f*) of the Iran Regulation, nor will permits be issued while the sanctions mandated by paragraph 4 of the Resolution remain in effect.

In addition, the *Nuclear Safety and Control Act* requires a licence for the export from Canada of all the goods listed in the *Nuclear Non-proliferation Import and Export Control Regulations*. All nuclear and nuclear-related dual-use goods, as defined by the appropriate international export control regimes, are listed in the *Nuclear Non-proliferation Import and Export Control Regulations* and therefore require a licence. Since the Resolution was adopted, no licence has been issued for the export from Canada to Iran of any of the items covered in subparagraph 4 (*a*) of the Resolution or in subparagraphs 3 (*e*) and (*f*) of the Iran Regulations, nor will licences be issued while the sanctions mandated by paragraph 4 of the Resolution remain in effect.

Paragraph 5

5. Decides that, for the supply, sale or transfer of all items, materials, equipment, goods and technology covered by documents S/2006/814 and S/2006/815 the export of which to Iran is not prohibited by subparagraphs 3 (b), 3 (c) or 4 (a) above, States shall ensure that:

(a) the requirements, as appropriate, of the Guidelines as set out in documents S/2006/814 and S/2006/985 have been met; and

(b) they have obtained and are in a position to exercise effectively a right to verify the end-use and end-use location of any supplied item; and

(c) they notify the Committee within ten days of the supply, sale or transfer; and

(d) in the case of items, materials, equipment, goods and technology contained in document S/2006/814, they also notify the IAEA within ten days of the supply, sale or transfer.

The *Export and Import Permits Act* requires a permit for the export from Canada of all goods listed on the *Export Control List*. All military and strategic dual-use goods, as defined by the appropriate international export control regimes, are listed on the *Export Control List*, and therefore require a permit. Since the Resolution was adopted, no permit has been issued for the export from Canada to Iran of any of the items covered in documents S/2006/814 and S/2006/815. In addition, should a request be submitted for a permit to export goods the export of which is not prohibited, such a permit would not be issued unless the requirements contained in paragraph 5 of the Resolution have been fulfilled.

The *Nuclear Safety and Control Act* requires a licence for the export from Canada of all goods listed in the *Nuclear Non-proliferation Import and Export Control Regulations*. All nuclear and nuclear-related dual-use goods, as defined by the appropriate international export control regimes, are listed in the *Nuclear Non-proliferation Import and Export Control Regulations* and therefore require a licence. Since the Resolution was adopted, no licence has been issued for the export from Canada to Iran of any items covered in document S/2006/814. In addition, should an application be submitted for a licence to export goods the export of which is not prohibited, such a licence would not be issued unless the requirements contained in paragraph 5 of the Resolution have been fulfilled.

Paragraph 6

6. Decides that all States shall also take the necessary measures to prevent the provision to Iran of any technical assistance or training, financial assistance, investment, brokering or other services, and the transfer of financial resources or services, related to the supply, sale, transfer, manufacture or use of the prohibited items, materials, equipment, goods and technology specified in paragraphs 3 and 4 above.

Pursuant to section 5 of the Iran Regulations, all Canadians and all persons and entities in Canada are prohibited from providing, to any person in Iran, technical assistance (including instructions, training, consulting services, technical advice, transferring know-how or technical data), financial services, brokerage or other services, related to the supply, sale, transfer, manufacture or use of any of the items covered in section 3 of the Iran Regulations. Also, pursuant to section 6 of the Iran Regulations, all Canadians and all persons and entities in Canada are prohibited from making available, to any person in Iran, any property, financial assistance or investment, related to the supply, sale, transfer, manufacture or use of any of the items covered in section 3 of the Iran Regulations.

In addition, pursuant to section 10 of the Iran Regulations, all persons in Canada and all Canadians abroad are prohibited from doing anything that causes, assists or promotes, or is intended to cause, assist or promote, any act or thing prohibited by sections 5 and 6.

Moreover, the *Export and Import Permits Act* requires a permit for the export from Canada of technology listed on the *Export Control List*. Technology (including technical training, advice, services or assistance) as defined by the appropriate

international export control regimes, is listed on the *Export Control List*, and therefore requires a permit when transferred from Canada. Since the Resolution was passed, no permit has been issued for the export of technology from Canada to Iran, nor will permits be issued while the sanctions mandated by paragraph 6 of the Resolution remains in effect.

In addition, the *Nuclear Safety and Control Act* requires a licence for the export from Canada of technology listed in the *Nuclear Non-proliferation Import and Export Control Regulations*. Technology (including technical training, advice, services or assistance) as defined by the appropriate international export control regimes, is listed on the *Nuclear Non-proliferation Import and Export Control Regulations*, and therefore requires a licence when transferred from Canada. Since the Resolution was passed, no licence has been issued for the export of technology from Canada to Iran, nor will licences be issued while the sanctions mandated by paragraph 6 of the Resolution remains in effect.

Paragraph 7

7. Decides that Iran shall not export any of the items in documents S/2006/814 and S/2006/815 and that all Member States shall prohibit the procurement of such items from Iran by their nationals, or using their flag vessels or aircraft, and whether or not originating in the territory of Iran.

Pursuant to section 7 of the Iran Regulations, all Canadians and all persons and entities in Canada are prohibited from procuring from any person in Iran or any person acting on behalf of, at the direction of, or for the benefit of, Iran any of the items that appear in documents S/2006/814 and S/2006/815. Also, pursuant to section 8 of the Iran Regulations, owners or masters of Canadian ships and operators of aircraft registered in Canada may not carry, cause to be carried or permit to be carried any of those items.

In addition, pursuant to section 10 of the Iran Regulations, all persons in Canada and all Canadians abroad are prohibited from doing anything that causes, assists or promotes, or is intended to cause, assist or promote, any act or thing prohibited by sections 7 and 8.

Moreover, many of the goods that appear in documents S/2006/814 and S/2006/815 are subject to import controls under the Import Control List under the *Export and Imports Permits Act*.

In addition, many of the goods that appear in document S/2006/814 are subject to import controls under the *Nuclear Safety and Control Act* and *Nuclear Non-proliferation Import and Export Control Regulations*

Paragraph 10

10. Calls upon all States to exercise vigilance regarding the entry into or transit through their territories of individuals who are engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, and decides in this regard that all States shall notify the Committee of the entry into or transit through their territories of the persons designated in the Annex to this resolution (herein "the Annex"), as well as of additional persons designated by the Security Council or the Committee as being engaged in, directly associated with or providing support for Iran's

proliferation sensitive nuclear activities and for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology specified by and under the measures in paragraphs 3 and 4 above, except where such travel is for activities directly related to the items in subparagraphs 3 (b) (i) and (ii) above.

Sections 13 and 14 of the Iran Regulations authorize disclosure to the 1737 Committee of the entry into, or transit through, Canada of the persons designated in the Annex to Resolution 1737 and any other person designated by the Security Council or the 1737 Committee.

It should be noted, however, that the Annex to Resolution 1737 provides minimal information regarding the designated individuals. As a result, identification of these individuals will be more difficult.

Paragraph 12

12. Decides that all States shall freeze the funds, other financial assets and economic resources which are on their territories at the date of adoption of this resolution or at any time thereafter, that are owned or controlled by the persons or entities designated in the Annex, as well as those of additional persons or entities designated by the Security Council or by the Committee as being engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or the development of nuclear weapon delivery systems, or by persons or entities acting on their behalf or at their direction, or by entities owned or controlled by them, including through illicit means, and that the measures in this paragraph shall cease to apply in respect of such persons or entities if, and at such time as, the Security Council or the Committee removes them from the Annex, and decides further that all States shall ensure that any funds, financial assets or economic resources are prevented from being made available by their nationals or by any persons or entities within their territories, to or for the benefit of these persons and entities;

Pursuant to section 9 of the Iran Regulations, all persons in Canada and all Canadians outside Canada are prohibited from:

(*a*) dealing directly or indirectly in any property in Canada as at 23 December 2006, or at any time after that date, that is owned or controlled by a designated person, by a person acting on behalf of, or at the direction of, a designated person, or by a person owned or controlled by a designated person;

(*b*) entering into or facilitating financial transaction related to dealings referred to in paragraph (a) above;

(*c*) providing financial or related services in respect of the property referred to in paragraph (a) above; or

(*d*) making any property or any financial or other related service available, directly or indirectly, to or for the benefit of a designated person.

In accordance with paragraphs 13 and 15 of the Resolution, sections 17, 18 and 19 of the Iran Regulations also allow for exemptions to the assets freeze.

In addition, pursuant to section 10 of the Iran Regulations, all persons in Canada and all Canadians abroad are prohibited from doing anything that causes,

assists or promotes, or is intended to cause, assist or promote, any act or thing prohibited by section 9.

It should be noted, however, that the Annex to Resolution 1737 provides minimal information regarding the designated individuals and entities. As a result, identification of these individuals and entities will be more difficult.

Ottawa, 23 February 2007

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Security Council Committee established pursuant to resolution 1737 (2006)

Letter dated 22 February 2007 from the Permanent Representative of Lithuania to the United Nations addressed to the Chairman of the Committee

On behalf of the Government of the Republic of Lithuania, I have the honour to submit the national report to the Security Council Committee established pursuant to resolution 1737 (2006) (see annex).

(*Signed*) Dalius **Čekuolis**
Ambassador
Permanent Representative

07-25890 (E) 070307

Annex to the letter dated 22 February 2007 from the Permanent Representative of Lithuania to the United Nations addressed to the Chairman of the Committee

Report to the Security Council of the United Nations on the steps undertaken by the Government of the Republic of Lithuania to implement the provisions of Security Council resolution 1737 (2006)

Pursuant to paragraph 19 of Security Council resolution 1737 (2006), Lithuania submits to the Security Council the following information concerning the steps undertaken by the European Union and nationally by Lithuania with a view to implementing effectively the provisions of the above-mentioned resolution.

Lithuania implements its policies towards Iran together with the other member States of the European Union. In its conclusions adopted on 22 January 2007, the Council of the European Union welcomed the measures in resolution 1737 (2006) and called on all countries to implement the measures in full and without delay. Ministers agreed that the European Union should prevent the export to and import from Iran of the goods on the lists of the Nuclear Suppliers Group and Missile Technology Control Regime ban transactions with and freeze the assets of individuals and entities covered by the criteria in resolution 1737 (2006); and take measures to prevent Iranian nationals from studying proliferation sensitive subjects with the European Union.

The European Union immediately initiated the preparation of legal instruments implementing the provisions of resolution 1737 (2006). On 12 February 2007, the Council politically endorsed a draft common position concerning restrictive measures against Iran. Preparations are under way to adopt without delay a Council regulation.

Lithuania has the following legislation requiring authorizations for the sale, supply, transfer and brokering of dual-use items and related materials, as well as technologies and imposing penalties in case of breaches of national procedures: Law on the Control of Strategic Goods of 29 April 2004 (as last amended on 6 April 2006); Resolution of the Government of the Republic of Lithuania No. 932 "On the Approval of the Licensing Rules for Export, Import, Transit and Brokering of Strategic Goods and the Rules of Implementation of the Control of Strategic Goods" of 22 July 2004 (as last amended 29 June 2006); Law on the Implementation of Economic and Other Sanctions of 22 April 2004; Penal Code of the Republic of Lithuania of 26 September 2006 (as last amended on 12 December 2006) and Code on Violations of Administrative Law of the Republic of Lithuania of 13 December 1984 (as last amended on 16 November 2006).

Items subject to nuclear, chemical, biological and missiles controls but not listed in the European Union Common Military List and Annex I of Council Regulation (EC) No. 1334/2000 of 22 June 2000 setting up a Community regime for the control of exports of dual-use items and technology are controlled under the "catch-all" provision of Article 4 of the said regulation.

Concerning restrictions of admission, freezing of funds and economic resources of the persons and the entities listed in the annex to resolution 1737

(2006), as well as exercise of vigilance and prevention of specialized teaching or training of Iranian nationals, the competent Lithuanian authorities have been informed about imposed restrictive measures by the United Nations Security Council in order to exercise exclusive vigilance towards Iran. The information of imposed sanctions has been uploaded on the website of the Ministry of Foreign Affairs of the Republic of Lithuania.